GLENTEL

ANNUAL REPORT 2005

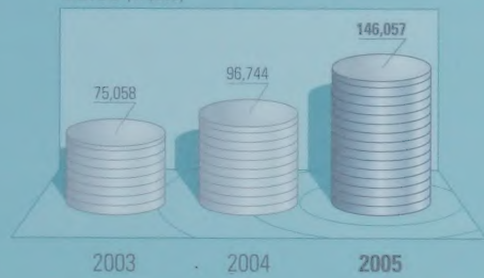
GLENTEL

FINANCIAL HIGHLIGHTS 2005

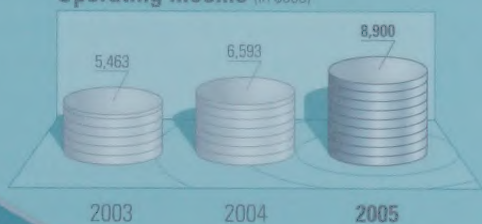
Years ended December 31 (In thousands, except per share amounts)

	2003	2004	**2005**
Sales	$ 75,058	$ 96,744	**$ 146,057**
Operating income	$ 5,463	$ 6,593	**$ 8,900**
Net income	$ 3,634	$ 4,143	**$ 6,114**
Weighted average number of shares outstanding	8,117	8,317	**9,438**
Net income per share – basic	$ 0.45	$ 0.50	**$ 0.65**

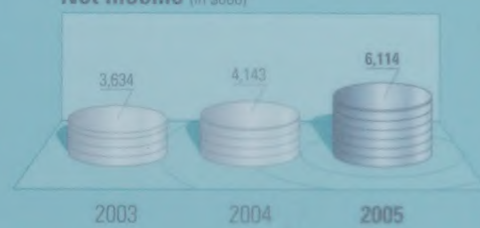
Sales (in $000)



Operating income (in $000)



Net income (in $000)



Glentel is a leading provider of wireless communications solutions in North America. Our Retail Division, through its three retail entities of *WirelessWave*, *Telephone Booth/La Cabine Téléphonique* and *WIRELESS etc* focuses on the cellular retail market in Canada. These retail mall-based stores and store-in-store kiosks provide consumers with choice in network service provider, cellular phones, and accessories at locations throughout British Columbia, Alberta, Manitoba, Ontario and Québec. The Wireless Business Division focuses on wireless voice and data communication solutions primarily for business, industry, and government sectors. Through its specialized selection of terrestrial, satellite, broadband and fleet location products and services, the Wireless Business Division offers integrated engineered solutions to its diverse customer base.

CORPORATE PROFILE

FINANCIAL HIGHLIGHTS 2005

Years ended December 31 (In thousands, except per share amounts)

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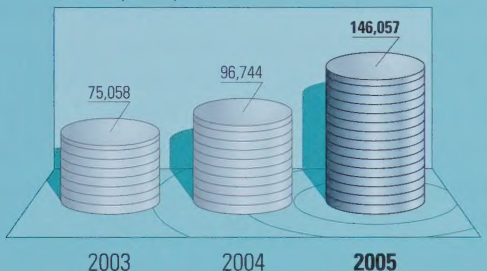
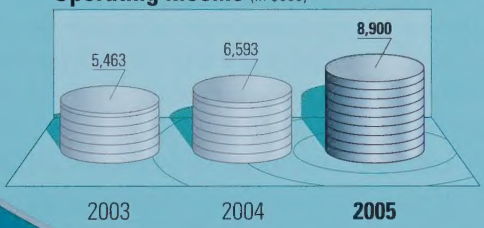


Operating income (in $000)



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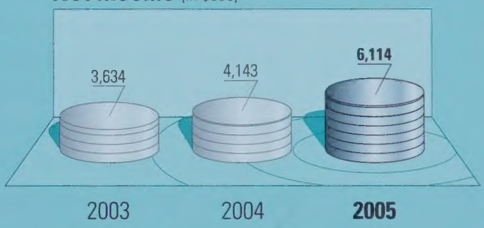


Glentel had a milestone year in 2005 and broke through the $100 million barrier in sales.

TO OUR SHAREHOLDERS

We have enjoyed a great year of growth and profitability in our Company. Both divisions have not only grown organically but have successfully acquired businesses in 2005 to complement their existing operations. This has been a banner year for the Company in all respects. Annual sales have increased 51%, operating income before interest and taxes increased 35%, consolidated net income increased 48%, while cash, cash equivalents, and working capital increased significantly. The company is poised for growth and profitability in 2006.

In May 2005, our Retail Division was successful in acquiring from Hartco Corporation, in Québec, its Cabtel Corporation retail chain of 49 mall stores operating under the banner *La Cabine Téléphonique* in Québec and *The Telephone Booth* in Alberta and Ontario. This network of stores has been in business for over 20 years and has operated in similar malls in Ontario and Alberta as our *WirelessWave* stores. This acquisition enabled Glentel to enter the Québec retail market for the first time, with 14 mall stores. We are very optimistic that these banners, being renamed *La CabineT* in Québec and *Tbooth* outside of Québec, will position Glentel in the future as the prominent wireless retailer in the mall marketplace. There are no plans to close any *Telephone Booth* stores, while we anticipate a significant refresh of each store over the next 18 months. Our management team is transitioning these stores to similar systems as *WirelessWave* that we have found successful, such as training and recruitment programs, with enhancements in sales, marketing, branding, product selection, inventory levels, and financial reporting. We are confident that over time, management will be successful in yielding similar results from this acquisition, as we currently enjoy with *WirelessWave*.

We have continued to increase profits in *WirelessWave* during the year while opening nine new stores, for a total of 95 mall stores. Sales began slow; however, in the 4th quarter same-store cellular phones and other wireless devices sold grew 17% year over year, finishing the year with an annual increase of 3% for stores that were open throughout both 2005 and 2004. We do intend to open additional *WirelessWave* stores in 2006, but will place an emphasis on increasing our profitability within our *Tbooth* stores and focusing on a new store-in-store kiosk initiative under a new retail banner, *WIRELESS etc*, that was launched in November 2005. *WIRELESS etc* is a new kiosk concept that our retail team developed during the year, for national big-box retailers who wish a third-party wireless specialist to manage the wireless category within their premises. A national rollout of *WIRELESS etc* store-in-store kiosks is planned to commence in 2006 with an initial rollout of up to 20 stores. This initiative holds promise to contribute significant results in the future for our Company.

Our Business Division continues to strengthen its position and win favour with its customers. Our Company has enhanced its wireless solutions offerings for terrestrial radio, satellite systems, wireless broadband, and related services with new technologies, while building depth in technical service expertise. During the year, we seized an opportunity to acquire the remote telecom business of Wireless Matrix Corp. based in Calgary, Alberta that enjoyed a loyal mobile satellite customer base in both Canada and the United States. Our service and recurring revenues have made a noticeable contribution to our results, being able to integrate these operations with little disruption to customer service and utilizing our current resources. We are assessing other growth opportunities for 2006 to grow organically and by acquisition that will enhance our service capabilities to the energy resource industries in the northern regions of British Columbia and Alberta. This also allows us to leverage our recent infrastructure investment in support systems and human resources.

To acquire businesses while maintaining a strong balance sheet required us to consider alternate sources of funding in addition to the stable cash contribution from our existing operations. In May 2005, Glentel issued, on a private placement basis, 1,600,000 common shares of the Company, at a price of $5.50 per common share, for gross cash proceeds of $8,800,000. In addition, the Company arranged an $8,000,000 acquisition term loan to complement its existing $3,000,000 revolving operating facility with its bank. We believe that the Company is now well positioned financially for 2006 to fund its planned store expansion, renovations, and acquisition opportunities.

TO OUR SHAREHOLDERS

I am pleased with the accomplishments of our management team and believe that Glentel is well on its way to becoming Canada's leading cellular multi-carrier retailer. Our carriers and other vendor partners have contributed greatly to our success this past year and have aligned their efforts with ours, ensuring that we grow profitably and strategically to the benefit of our mutual interests.

The wireless industry is growing globally and nationally. New wireless technologies, devices and services continue to inundate the consumer and business markets. Canadians have found many of these new wireless devices and technologies to be very attractive and convenient in making their everyday lives more functional and enjoyable. Glentel is fortunate to be strategically positioned to benefit economically in both the business and consumer sectors. To communicate effectively and efficiently with wireless devices is simple but yet somewhat complicated. We have prospered over the past few years having found a 'sweet spot' for helping people by sharing our knowledge, empowering them to communicate at a higher level.

We are very pleased with our success to date and believe that the future looks bright for our Company. We have strong management, sales, marketing, financial, and support services teams. We enjoy a strong balance sheet, strong brands, and strong vendor relationships. Above all else, we have very loyal customers who support us and look to us each day for our exceptional service and expertise.

I take this opportunity to express my thanks and appreciation to our directors, shareholders, stakeholders, customers, and our people, for their loyalty, support, and contribution in 2005 to the success of Glentel. Best wishes for a great 2006.

Thomas Skidmore

THOMAS E. SKIDMORE
Chairman, President and Chief Executive Officer

WIRELESSWAVE

WirelessWave continued its strong leadership position as the top multi-carrier cellular retailer in Canada in 2005. The focus for *WirelessWave* remained "wireless" with its value proposition of "choice" being paramount.

THE TELEPHONE BOOTH

...a new brand concept and store design was developed to take *The Telephone Booth / La Cabine Téléphonique* to the next level and give it a much more competitive retail presence.

WIRELESS ETC

...Glentel launched its new store-in-store kiosk concept – WIRELESS etc. This program has been developed for national retailers who wish a third-party wireless specialist to manage their wireless category.

The Retail Division underwent its most dramatic growth to date in 2005, with the addition of nine *WirelessWave* stores and the acquisition of Cabtel Corporation operating as *The Telephone Booth / La Cabine Téléphonique* with its 49 locations. With 95 locations already in British Columbia, Alberta, Manitoba and Ontario, this new acquisition introduced Glentel's Retail Division to the Québec market with 14 *La Cabine Téléphonique* stores while adding seven stores in Alberta and 30 in Ontario. The launch of the Retail Division's new store-in-store concept, *WIRELESS etc*, added another three stores, currently being tested in BC, bringing Glentel's retail presence to a significant 147 locations by the end of 2005.

WirelessWave continued its strong leadership position as the top multi-carrier cellular retailer in Canada in 2005. The focus for *WirelessWave* remained "wireless" with its value proposition of "choice" being paramount. *WirelessWave* continues to offer choice of networks (Rogers Wireless, Bell and Fido), choice of plans, and choice of accessories. 2005 also saw a couple of new players enter the market with the launch of Virgin Mobile and Solo Mobile. *WirelessWave* chose to add the Solo Mobile product group, consisting of postpaid and prepaid phones and accessories, to its product mix. As expected, 2005 brought a wider selection of "smart phones," with most models also offering cameras, video, or mp3 capability, and the next generation of voice and data products from BlackBerry, TREO and Palm One. The 4th quarter also saw the introduction of the new EVDO capable phones.

> **Glentel's knowledge and experience in the wireless retail industry is well-respected. The three networks ...look to Glentel's retail management team to know what works in the market...**

With the market moving to even more feature-laden products, it is apparent that having well-trained, knowledgeable staff is a key factor that sets *WirelessWave* apart from its competition. A strong training program, (Glentel Retail Training Academy), which constantly adjusts to incorporate the reactionary and multi-faceted nature of the wireless industry, is integral to keeping *WirelessWave* staff at the top of their "game" and recognized as some of the most professional wireless experts in the retail industry.

With the acquisition of *The Telephone Booth / La Cabine Téléphonique*, not only has Glentel significantly increased its retail presence, but it has also added a strong "telephony" component to its product mix. During 2005, *The Telephone Booth / La Cabine Téléphonique* stores offered customers a wide selection of cellular phones and accessories from Rogers Wireless, Bell, Fido, Solo Mobile and Virgin Mobile, as well as a variety of corded, cordless, and novelty phones and accessories.

In the later part of 2005, a new brand concept and store design was developed to take *The Telephone Booth / La Cabine Téléphonique* to the next level and give it a much more competitive youth oriented retail presence. The new brand look has *The Telephone Booth* rebranded as *Tbooth* and *La Cabine Téléphonique* rebranded as *La CabineT*. The bold, bright colours, high-tech look, and more open concept all contribute to a fresh, modern design for in-line stores and kiosks. In late 2005, the first four stores underwent their transformation. Toronto Eaton Centre, Sherway Gardens and Centre Eaton Montréal, all in-lines, were completed first, and then *The Telephone Booth* in-line store in Burlington Mall was transitioned to a new kiosk reflecting the new branding. Reception to the new look has been very positive, and overall design will continue to be developed as additional stores go through their refresh.

Streamlining product mix and inventory levels, adjusting processes and systems to be in line with Glentel's programs, developing new marketing programs, and having *Tbooth* and *La CabineT* staff embrace the Glentel Retail Training Academy programs will improve the customer experience as well as increase store productivity and revenue yield. Taking advantage of the synergies already in place within the Retail Division is integral for *Tbooth / La CabineT* to continue to grow physically as well as financially.

Additional growth in the Retail Division occurred in the latter part of the year when Glentel launched its new store-in-store kiosk concept – *WIRELESS etc*. This program has been developed for national retailers who wish a third-party wireless specialist to manage their wireless category. A small footprint kiosk was developed and built so as to be very efficient to operate and to be quickly installed within an existing store environment. In November 2005, three test stores were launched in British Columbia within a large national "big-box retailer". As the evaluation of these test stores continues, there is potential to expand nationally.

Glentel's knowledge and experience in the wireless retail industry is well respected. The three networks, Rogers Wireless, Bell and Fido, look to Glentel's retail management team to know what works in the market, what doesn't work, and what is possible. This opened up new opportunities for growth in 2005 with an expanded product offering from the networks, including Bell ExpressVu, Sympatico, Rogers Digital Cable, Rogers Home Phone (Ontario) and Rogers Yahoo.

Additionally, in the latter half of 2005 Glentel partnered with Incomm to have *WirelessWave* increase its portfolio of prepaid cards to extend beyond wireless and include music and long distance.

Glentel's relationship with its retail partners and suppliers grew throughout 2005. All of these relationships are strategically important for us.

The Retail Division will continue to set itself apart from the competition in 2006 by continuing to grow its knowledge and expertise in wireless, develop strong marketing and advertising initiatives, increase productivity and efficiency, maintain effective inventory and systems controls, and coach the team to instinctively provide all customers with an ultimate "WOW!" experience.

BROADBAND WIRELESS

Broadband Wireless Solutions
Expanded Network Services
Solution Oriented Wireless Technology

SATELLITE NETWORK SERVICES

Fixed Satellite Systems
Mobile Satellite Systems
Portable Satellite Systems

ADVANCED MOBILE SOLUTIONS

Asset Management Systems
Fleet Management Systems
Tracking Systems
Field Force Automation Solutions

SERVICES

Engineered Wireless Solutions
11 National Wireless Business Service Centres
In-house, APEGGA licensed, Engineering Team
Dedicated in-house Project Management Team

TERRESTRIAL RADIO

Conventional Radio Systems
First Responder Radio Systems
Narrowband Wireless Solutions

Partners

Motorola
Microwave Data Systems
Mobile Satellite Ventures
SkyBitz
Tait
Telesat
Globalstar
SaskTel Mobility
Vertex Standard
Zetron
Rogers Wireless
Bell Mobility

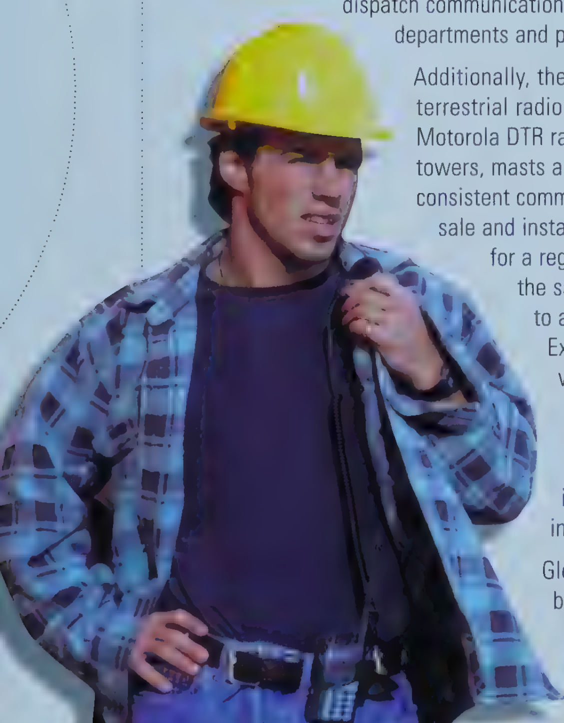
Market Sectors

Government
First Responders
Health
Education
Utilities
Oil & Gas
Forestry
Mining
Construction
Agriculture
Transportation
Tourism
Legal
Economic Development

BUSINESS DIVISION

The steady achievement of its goals, and increased market activity in oil and gas, government, transportation, and construction sectors, were all contributing factors to Glentel's Business Division success in growing revenues, profitability and margin in 2005. Increased product and solution offerings, larger and more solution-based projects, the final integration of the Mobilcom sales force from the 2003 acquisition, and the enhancement of the market development team all contributed to the division becoming more solidified and cohesive. Internally, a focused sales initiative, along with a directive on solutions-based selling, led to a higher ratio of closed sales. Improving the point of sale and communications systems at all branches across Canada, with links to remote offices and high-speed internet capability, also greatly improved the overall productivity and effectiveness.

Recently, Glentel has strategically positioned itself to take advantage of the growing number of cities and municipalities being driven to upgrade their voice and/or data communication systems and efficiently manage their water supplies and emergency response capabilities. Glentel's solutions enable them to save money by monitoring levels of water and wastewater within their jurisdiction. The extensive group of projects this year included an MDS (Microwave Data Systems) and SCADA (Supervisory Control and Data Acquisition) solution to upgrade 30 waterworks sites; the supply and installation of hardware and software to upgrade water and wastewater monitoring systems for various cities and municipalities; a wireless upgrade to a fresh water and dedicated fire protection services water management program; and the supply and installation of new dispatch communication equipment for various fire departments and public works groups.



Additionally, there were a number of new terrestrial radio projects including a new Motorola DTR radio system which included towers, masts and hardware. The need for consistent communication coverage drove the sale and installation of an MSAT solution for a regional ambulance service, and the sale of Globalstar mobile units to a resource-based company. Expanded plant operations with a petroleum company gave Glentel the opportunity to provide Canopy broadband equipment, greatly increasing their wireless internet capability.

Glentel's satellite customer base grew dramatically in Canada and the United States by acquiring the remote telecom business of Wireless Matrix Corporation. This acquisition included the largest satellite dispatch talk group in North America, AlaskaNet, which has over 1,000 customers within the same network who can talk one-to-one or one-to-many. With a satellite-based communications network, the fishing fleet, fish transport tender boats, and the fish processing plants can all stay in touch from 7 a.m. to midnight, 7 days a week while in season – even when the fishing fleet is 300 miles offshore. The whole process runs very smoothly, with the fishing boats staying out at sea and the tenders picking up their full catches and delivering them directly to the fish processing plants. Time is money in the fishing industry, and Glentel's operation of the network provides end-to-end service that is seamless to the customer.

Not only is the satellite portfolio continuing to grow, but also Glentel is positioning itself to take advantage of increasing opportunities in the terrestrial radio, satellite radio and fleet management portfolios. New products and services such as LoadTrack and Skybitz will enable Glentel to offer unique customized solutions. Both services use the extended coverage of satellite as the basis of communication. LoadTrack is a fleet management solution where a company can more effectively monitor and manage their vehicle fleet. Skybitz is more specialized as a global location service for trailer fleet tracking. Key strategic partnerships ensure that Glentel is well-aligned and supported as these new opportunities come to the forefront.

A source of continued differentiation for Glentel is its strong technical service expertise. Increased service opportunities with long-term maintenance agreements and the overall increased demand for service due to the growth in the oil and gas industry contributed to Glentel's success in increasing service revenues. For some accounts, the excellence in service expertise is the foundation for the sales growth. Glentel's sales team has also incorporated service allocation into their quotes - with all sales solutions; the objective is to sell the customer the best solution for their needs, along with a maintenance contract to keep it at optimal operating capacity. A greater focus in 2006 on training and education for service technicians, the implementation of a progressive training program, and a continued commitment to grow the service base, will contribute to ongoing success in 2006.

The market development team with its group of professional wireless experts contributed to Glentel's success in 2005. Their goal is to provide superior technical, project, and customer-centric support with three main areas of concentration: engineering, product development, and project management. Their expertise allows Glentel to offer this unique value-add service to its customers.

Glentel will continue to leverage its expertise in the wireless communications industry by integrating its sales, service, and market development teams to provide the best communications solution for the customer, to help customers meet both their short and long term needs. Glentel – Communicating on a Higher Level™.

MANAGEMENT'S DISCUSSION & ANALYSIS

Year ended December 31, 2005

Certain statements in this report may constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties, and other factors which may cause actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Included herein is a "Caution Concerning Forward-Looking Statements" section which should be read in conjunction with this report.

This management's discussion and analysis of the Company's financial position and results of operations ("MD&A") describes our business, the business environment as we see it today, our vision and strategy, as well as the critical accounting policies used in our Company that will help you understand our consolidated financial statements. This report is effective March 24, 2006 and should be read together with our audited annual consolidated financial statements and the accompanying notes for the year ended December 31, 2005, which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All financial amounts are expressed in Canadian dollars. Additional information, including the Company's Annual Information Form ("AIF"), can be obtained from the System for Electronic Document Analysis and Retrieval ("SEDAR") on the Internet at www.sedar.com.

Glentel Inc. ("Glentel" or "the Company") operates in two distinct business segments. The Retail Division, doing business as ("dba") *WirelessWave*, *The Telephone Booth / La Cabine Téléphonique* and *WIRELESS etc*, provides personal wireless and wired communications products and services, and choice of cellular carrier to consumers through retail outlets in major shopping malls in Canada. The Business Division provides its customers with integrated wireless solutions – designing and commissioning wireless networks for commercial applications in three core technical areas: terrestrial radio systems, satellite network services, and advanced mobile solutions.

Glentel had a milestone year in 2005 as we broke through the $100 million barrier in sales. A number of achievements occurred during the year that contributed to this.

In March 2005, the Company announced that it had signed a letter of offer to purchase Cabtel Corporation headquartered in Montréal, Québec, dba *The Telephone Booth / La Cabine Téléphonique*, a specialty wireless store chain consisting of 49 mall-based locations in Québec, Ontario and Alberta. Effective May 29, 2005, the Company acquired all of the issued and outstanding shares of Cabtel Corporation for cash consideration of $16,726,000 including acquisition costs.

In April 2005, the Company announced that effective April 30, 2005, it had acquired certain assets and specified contracts of the Remote Telecom business of Wireless Matrix Corporation for cash consideration of $1,305,000 including acquisition costs. The Remote Telecom business consists of a mobile satellite customer base and rental equipment that was merged into the satellite network segment of the Business Division.

In the Business Division, steady increases in operating results were achieved in 2005 following the successful integration of Mobilcom Wireless that was acquired in late 2003, and the integration of the Remote Telecom business acquired in 2005. Operating income before interest and taxes for the year ended December 31, 2005 increased 85% to $1,716,000.

In the Retail Division, *WirelessWave* opened nine new stores during the year, bringing the total to 95 *WirelessWave* branded retail mall-based stores operating in British Columbia, Alberta, Manitoba and Ontario. Following a slow start in the beginning of the year, the number of same-store cellular phones and other wireless devices sold grew 17% in the 4th quarter and we finished the year with an annual increase of 3% for stores that were open throughout both the 2005 and 2004 fiscal years.

In the Retail Division, following the acquisition of *The Telephone Booth / La Cabine Téléphonique,* steps were taken to integrate their operations into the Glentel Retail Division. The first six months of the transition plan included the separation of the systems and operating premises from the former principals, and revamping the management team. The design of a new store concept was planned, and was introduced in the 4th quarter in three stores in Ontario and Québec. While we are pleased with the progress of our transition plan, improved results have not yet materialized in this first phase. The next steps of our plan include implementing certain critical success factors employed in *WirelessWave* that will position *The Telephone Booth / La Cabine Téléphonique* brand to achieve improved results and capitalize on the traditionally strong second half of our 2006 fiscal year.

In November 2005, the Retail Division, dba *WIRELESS etc*, began a pilot project of a store-in-store concept with a major big-box retailer, operating kiosks in three separate retail outlets. While it is early in the evaluation process, the results are satisfactory to date. If the pilot project proves to be successful, we will be prepared to expand this opportunity to the full lineup of retail outlets of the big-box retailer.

New financing arrangements were made by the Company during the year. On May 25, 2005, the Company issued, on a private placement basis, 1,600,000 common shares at a price of $5.50 per common share for gross cash proceeds of $8,800,000. The proceeds from this offering were used to fund a portion of the business acquisition of Cabtel Corporation.

In addition, in the 2nd quarter the Company arranged, with a major Canadian chartered bank, an $8,000,000 term loan to be used for financing the acquisition of Cabtel Corporation and other potential acquisitions. On June 27, 2005, the Company utilized $6,000,000 of this facility to complete the acquisition of Cabtel Corporation.

Consolidated cash and cash equivalents grew to $15,449,000 at December 31, 2005, compared to $8,201,000 last year. The significant change in the cash position is primarily as a result of operating earnings in the year. In addition, our year end cash balances, compared to the interim quarterly cash balances, grew due to the management of inventory turns by the Retail Division during the Christmas season. This allows the Company to better leverage its working capital at this time of the year.

The Corporate General and Administrative Division focused on improvements to our systems and infrastructure to support the acquisitions and growth in both the Retail Division and the Business Division. In January 2005, a new financial and operating system was installed in the Business Division that better facilitates transactions in the business environment of today, and in May 2005, a new point-of-sale and operating system was installed in the Retail Division that will facilitate the division's entry into Québec and the need for bilingualism in that market.

These achievements have enhanced Glentel's ability to pursue further growth opportunities in the telecommunications industry. The Retail Division brands, *WirelessWave*, *The Telephone Booth / La Cabine Téléphonique*, and *WIRELESS etc*, provide strategic locations and knowledgeable professional staff that can deliver a channel to market required for success in the increasingly competitive telecommunications industry. The Business Division's successful integration of its acquisitions, its relationships with major suppliers, and a focus on its core competences provide a blueprint to absorb further industry consolidation in the integrated wireless solutions space. These strategic assets provide Glentel with the tools to achieve its future goals.

(In thousands of dollars, except per share amounts)

	Years ended December 31		
	2005	2004	2003
Total assets	**$ 87,846**	$ 51,058	$ 43,184
Total long-term debt, excluding deferred revenue	**3,300**	17	66
Sales	**$ 146,057**	$ 96,744	$ 75,058
Operating income before interest and taxes	**8,900**	6,593	5,463
Net income	**$ 6,114**	$ 4,143	$ 3,634
Net income per share			
-Basic	**$ 0.65**	$ 0.50	$ 0.45
-Fully diluted	**$ 0.61**	$ 0.46	$ 0.43

Sales were $146,057,000 for the year ended December 31, 2005, a 51% increase over $96,744,000 in 2004. Operating income before interest and taxes increased 35% to $8,900,000 for the year compared to $6,593,000 in 2004. Consolidated net income increased 48% to $6,114,000, $0.65 per share for the year ended December 31, 2005, compared to $4,143,000, $0.50 per share, last year.

Growth in sales and net income was the result of growing both organically and through acquisitions in 2005, as discussed in the following segmented analysis.

Sales of retail cellular products and services in the Retail Division grew 65% to $118,331,000 in 2005, compared to $71,841,000 in 2004. The growth in sales occurred due to a number factors. *WirelessWave* added nine new stores during the year (a 10% growth), bringing the total number of mall-based stores to 95 as at December 31, 2005. The number of same-store cellular phones and other wireless devices sold in the year increased 3% over the previous year for stores that were open throughout both the 2005 and 2004 fiscal years. Effective May 29, 2005, the Company acquired, and integrated into the Retail Division, Cabtel Corporation, dba *The Telephone Booth / La Cabine Téléphonique*, a specialty wireless store chain consisting of 49 mall-based locations (a 57% growth) in Québec, Ontario and Alberta. In November 2005, dba *WIRELESS etc*, a pilot project of a store-in-store concept with a major big-box retailer was launched, operating three kiosks in separate retail outlets.

To encourage these strategic additions, our carrier partners have embraced such moves and agreed to harmonize all compensation plans in all areas of the division. This further enhances the revenue of the division and endorses the retail model employed by the Company.

Operating expenses for the year increased to $35,495,000 compared to $20,494,000 in 2004, due to the increased number of stores operating in 2005. In *WirelessWave*, increased costs have grown in relative proportion to the growth in sales and gross profit margins over the prior year. In *The Telephone Booth / La Cabine Téléphonique*, operating costs in relation to sales and gross profit margins are not leveraged to the same degree as in *WirelessWave* and as a result divisional operating costs increased to 30.0% of sales compared to 28.5% of sales the prior year.

Subsequent to the closing date of the acquisition of Cabtel Corporation on June 28, 2005, steps were taken to begin the transition plan and integration into the Glentel Retail Division processes. The first six months of the transition plan included the separation of the systems and operating premises from the former principals, and revamping the management team. The design of a new store concept was planned and in the 4th quarter introduced in three stores in Ontario and Québec. While we are pleased with the progress of our transition plan, improved operating results and yield per store have not yet materialized in this first phase. The next steps of our plan include implementing certain critical success factors employed by *WirelessWave* that will position *The Telephone Booth / La Cabine Téléphonique* brand to achieve improved results and capitalize on the traditionally strong second half of our next fiscal year. Such critical success factors include changing the *WirelessWave* Training Academy to become the Glentel Retail Academy that will embrace the training of the entire Retail Division, the empowerment of our district managers and store managers to apply a best-business-practices approach to store management, the introduction of certain selling tools such as our premium protection plan, and introducing our outsourced prepaid card processor. All of these factors will be strategically introduced to enhance the customer experience in our retail business, and the benefits may be realized through the Retail Division's future operating results.

Amortization expense of property, equipment, and intangible assets increased to $2,474,000 compared to $1,859,000 in 2004. The increase is primarily due to the increased number of stores operating in 2005. An additional amortization expense of $149,000 was also recorded in the 4th quarter following a more detailed analysis of the purchase price of the acquisition. Upon review of the purchase price of the acquisition of the Cabtel Corporation, dba *The Telephone Booth / La Cabine Téléphonique*, it was determined that $3,385,000 of the purchase price represents intangible assets, of which $881,000 of these assets have a finite life and will be amortized over the expected life of the asset.

Operating income before interest and taxes for the division increased 24% to $13,385,000 for the current year compared to $10,780,000 the previous year. The division's operating income was 11% of sales in 2005, down from 15% of sales the previous year, reflecting the influence of *The Telephone Booth / La Cabine Téléphonique*. We have implemented programs which we expect to improve the performance of the newly acquired business.

In 2006 the Retail Division plans to improve the yield per store in *The Telephone Booth / La Cabine Téléphonique* prior to its busy second half of the year and to continue to refresh the look and feel of the brand that was started in the 4th quarter in 2005. *WirelessWave* plans to continue opening new stores and over the next twelve months will target to open between five and ten new mall-based stores. If the pilot project of the *WIRELESS etc* store-in-store concept proves to be successful, we will be prepared to expand this opportunity.

Sales of terrestrial radio systems, satellite network services, advanced mobile solutions, and service/engineering support by the Business Division increased 11% to $27,726,000 in 2005 compared to $24,903,000 in 2004. The success in the year has been a direct result of overall economic confidence, specifically in the oil and gas industry in Alberta and Northern BC. As the economic conditions have improved, it has positively impacted the supply and service industries, of which Glentel is a part. This has resulted in a steady increase in its core terrestrial radio systems sales, airtime revenue, rentals and service. Demand for products and services has also come from growth in the construction, mining and transportation markets. Management believes that this trend will continue into the next year.

Additionally, with the recent acquisition of certain assets of the Remote Telecom business from Wireless Matrix Corporation and the successful integration of this acquisition, the division recorded 39% growth in its satellite solutions segment. The "AlaskaNet" satellite dispatch service, a service for the maritime industry in the Pacific Northwest, generated new loads and high usage during the busy summer season and contributed to the favourable results in 2005.

Operating expenses for the year were well controlled and remained relatively flat at $7,788,000 in 2005 compared to $7,498,000 the previous year which has resulted in an improved yield in the ratio of sales to operating expenses.

Amortization expense of property, equipment, and intangible assets increased to $1,306,000 compared to $1,136,000 last year. This was due to an additional $73,000 of amortization expense in the 4th quarter due to a more detailed analysis of the allocation of the purchase price, using the purchase method of accounting, of acquisitions. Upon review of the purchase of certain assets of the Remote Telecom business of Wireless Matrix Corporation it was determined that $1,098,000 represents an intangible asset that has a finite life and must be amortized over the expected life of the asset. The additional increase in amortization expense is due to the additional rental equipment acquired through the Wireless Matrix Remote Telecom acquisition in the 2nd quarter in 2005.

Operating income before interest and taxes for the division increased 85% to $1,716,000 in the current year compared to $926,000 the previous year. The increased operating income was due primarily to increased sales, following the successful integration of the 2004 and 2005 acquisitions.

The division has developed an ability to absorb acquisitions and maintain its relationships with major suppliers. This provides a solid foundation on which to grow and to continue to be a strong integrated service and solutions provider for the wireless voice and data industry. Glentel remains positioned to take advantage of further industry consolidation opportunities that may arise in the future.

In the Corporate General and Administrative Division, administrative and marketing services are managed centrally and are not allocated directly to the operating divisions. Operating expenses for the year increased to $6,009,000 compared to $4,914,000 last year. The increase is due to the additional administrative and marketing resources required to support the acquisitions and the 51% growth in sales that occurred in 2005. Included in general and administrative expenses is the stock-based compensation expense of $275,000 (2004 - $391,000). Management fees paid to its majority shareholder increased to $600,000 in 2005 compared to $438,000 last year.

(In thousands, except per share amounts)

	Years ended December 31							
	2005				2004			
	Dec 31 2005	**Sep 30 2005**	**Jun 30 2005**	**Mar 31 2005**	Dec 31 2004	Sep 30 2004	Jun 30 2004	Mar 31 2004
Sales	**$ 51,375**	**$ 41,417**	**$ 29,834**	**$ 23,431**	$ 30,595	$ 24,424	$ 21,577	$ 20,148
Operating income	**3,389**	**2,763**	**2,396**	**352**	2,830	1,911	993	859
Net income	**$ 2,999**	**$ 1,502**	**$ 1,370**	**$ 243**	$ 1,780	$ 1,195	$ 627	$ 541
Net income per share								
- Basic	**$ 0.30**	**$ 0.15**	**$ 0.16**	**$ 0.03**	$ 0.21	$ 0.14	$ 0.08	$ 0.07
- Fully diluted	**$ 0.27**	**$ 0.15**	**$ 0.16**	**$ 0.03**	$ 0.18	$ 0.14	$ 0.08	$ 0.06

Historically, the Company's business is stronger during its 3rd and 4th quarters, while the 1st quarter is generally the weakest quarter of the year. This seasonal pattern is tied closely to traditional cycles in consumer spending.

The Company's cash and cash equivalents balance increased to $15,449,000 at December 31, 2005 compared to $8,201,000 the previous year. Working capital strengthened to $20,655,000 at December 31, 2005 compared to $13,553,000 the prior year.

Operating activities after changes in working capital generated $14,434,000 in cash flow in 2005 (2004 - $11,809,000). The significant components were cash generated from operations, after adjusting for non-cash items of $6,607,000, and cash generated from working capital of $2,663,000. In addition, receipt of deferred revenue in advance of revenue recognition was $5,163,000. The cash generated by working capital is due to the acceleration of the number of inventory turns by the Retail Division during the Christmas season which allows the Company to increase the leverage of its working capital at this time of the year.

The Company generated $13,469,000 of cash flow from financing activities during 2005. This was the result of issuing, on a private placement basis, 1,600,000 treasury shares for gross cash proceeds of $8,800,000 less issue costs, and $154,000 from the issue of common shares on the exercise of stock options and warrants. In addition, on June 27, 2005, the company received proceeds from a term loan with a major Canadian chartered bank, in the amount of $6,000,000. The proceeds of the share issue and the bank loan were used to finance the acquisitions made during 2005.

The Company used cash of $20,655,000 for investment activities in the year, compared to $3,712,000 in 2004. The investment activities reflect the significant acquisition program the Company embarked upon in 2005. $16,620,000 net of cash acquired was used to acquire 100% of the outstanding shares, including acquisition costs, of Cabtel Corporation, dba *The Telephone Booth / La Cabine Téléphonique*, and $1,098,000 to acquire certain specified contracts, including acquisition costs, of the Remote Telecom business of Wireless Matrix Corporation. $3,740,000 was used primarily to acquire capital assets in the Retail Division that included nine new mall-based stores in *WirelessWave*, four new concept stores in *The Telephone Booth / La Cabine Téléphonique*, and three new kiosks in *WIRELESS etc.*

The Company anticipates that its cash flow and credit facility will be sufficient to fund future operations. The Company's immediate plan is to continue to finance its planned growth through internally generated funds.

As at December 31, 2005 (In thousands of dollars)

			Payments Due by Period			
		Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Long-term debt, excluding interest	$	5,100	$ 1,800	$ 3,300	$ -	$ -
Capital lease obligations		-	-	-	-	-
Operating leases		33,716	8,087	13,491	7,853	4,285
Other long term obligations		-	-	-	-	
Total contractual obligations	**$**	**38,816**	**$ 9,887**	**$ 16,791**	**$ 7,853**	**$ 4,285**

The Company is obligated to repair or replace cellular products sold under premium protection plans, the cost of which is not determinable. Revenue from the sale of the plans is deferred and amortized to income over the contract as described in note 3(h) to the Consolidated Financial Statements.

The Company has a $3,000,000 revolving operating facility with a major Canadian chartered bank. The facility bears interest at a bank's prime rate plus 0.5% and is secured by a general security agreement over the Company's assets. At December 31, 2005, the operating bank indebtedness was $nil.

In the 2nd quarter, the Company arranged, with the same major Canadian chartered bank, an $8,000,000 term loan to be used for financing the acquisition of Cabtel Corporation and other potential acquisitions. On June 27, 2005, the Company utilized $6,000,000 of this facility to close the acquisition of Cabtel Corporation. The fixed-term loan is secured by a general security agreement over the Company's assets and is repayable in monthly installments of $150,000 plus interest at the rate of 5.77% per annum.

On May 25, 2005, the Company issued, on a private placement basis, 1,600,000 common shares at a price of $5.50 per common share for gross cash proceeds of $8,800,000. In addition to issue costs, a total of 80,000 compensation warrants were issued. Each warrant entitles the holder to acquire one common share at an exercise price of $5.54 per share for a two-year period following the closing date of the private placement. The warrants expire on May 25, 2007. The proceeds from this offering were used to fund a portion of the business acquisition of Cabtel Corporation.

Total debt to equity ratio was 1.11 at December 31, 2005, compared to 0.92 in 2004. Total assets increased to $87,846,000 at December 31, 2005, compared to $51,058,000 the year before. The change in the debt to equity ratio was the result of issuing additional share capital and an increase in long-term debt during the year. The increase in assets was the result of the additional assets acquired through the two previously discussed acquisitions completed during 2005. As of March 24, 2006, the Company had 10,164,043 common shares issued and outstanding.

The Company has outstanding letters of credit totaling $140,000 (December 31, 2004 - $140,000) that have been issued as security for the Company's obligations under a contract.

The Company had the following transactions with its majority shareholder:

(In thousands of dollars)

		Years ended December 31		
		2005		2004
Management fees	**$**	**600**	$	438
Operating and administrative expenses		**230**		231
Construction and graphic services and materials - stores		**1,779**		2,126

During the year, the Company was charged a fee by its majority shareholder, TCG International Inc. ("TCGI"), for the managerial services of the President and Chief Executive Officer, which was approved by the Board of Directors. Certain other operating and administrative services provided to the Company by TCGI resulted in an additional administrative fee as agreed to by the Board of Directors. In addition, the Company paid for construction and graphic services and materials provided by a subsidiary of TCGI in connection with store construction and marketing programs during the year. Related party transactions are measured at the exchange amount. As at December 31, 2005, the Company owed TCGI $105,000 (2004 - $20,000).

(In thousands of dollars, except per share amounts)

		Quarter ended December 31		
		2005		2004
Sales	**$**	**51,375**	$	30,595
Operating income before interest and taxes		**3,389**		2,830
Net income	**$**	**2,999**	$	1,780
Net income per share				
- Basic	**$**	**0.30**	$	0.21
- Fully diluted	**$**	**0.27**	$	0.21

Sales for the 4th quarter ended December 31, 2005, increased 68% to $51,375,000 compared to $30,595,000 in 2004. Growth in consolidated sales in 2005 compared to 2004 was due primarily to an increase in sales in the Retail Division. In the Retail Division, *WirelessWave* had a 10% increase in new stores operating over the same quarter last year. The number of same-store cellular phones and other wireless devices sold in *WirelessWave* grew 17% in the 4th quarter for stores that were open throughout both the 2005 and 2004 fiscal years. The balance of the sales growth was the result of the addition of 49 stores in *The Telephone Booth / La Cabine Téléphonique*, and the 3 kiosks of the store-in-store pilot project in *WIRELESS etc.*

Operating expenses increased in the 4th quarter of 2005 over the same period last year by an amount equal to 4% of quarterly sales. This relative increase is due to a weaker yield per store experienced in *The Telephone Booth / La Cabine Téléphonique*, compared to *WirelessWave*. The yield differential was a known factor at the time of acquiring *The Telephone Booth / La Cabine Téléphonique* and future improvements in the yield per store are part of the transition and integration plan. Management anticipates improvement in the relative operating expense ratio, concurrent with the increased yield per store targets.

Amortization of property, equipment, and intangible assets increased by $222,000 in the 4th quarter following a detailed analysis of the acquisitions completed during the year. Upon review of the acquisition of Cabtel Corporation, dba *The Telephone Booth / La Cabine Téléphonique*, and of certain assets of the Remote Telecom business of Wireless Matrix Corporation, it was determined that $4,483,000 represented intangible assets, of which $1,979,000 of these assets have a finite life and must be amortized over the expected lives of the assets.

As a result, operating income before interest and taxes was $3,389,000 for the 4th quarter ended December 31, 2005, compared to $2,830,000 in 2004. Consolidated net income increased 68% to $2,999,000, $0.30 per share, compared to $1,780,000, $0.21 per share, for the same quarter last year.

Cash and cash equivalents balance increased $6,570,000 in the 4th quarter ended December 31, 2005 compared to $2,252,000 for the same quarter the previous year. This increase was due to operating activities after changes in working capital which generated $6,692,000 in cash flow in the 4th quarter of 2005 (2004 - $2,252,000). The significant components were cash generated from operations, after adjusting for non-cash items of $2,469,000, and cash generated from working capital of $2,140,000. In addition, receipt of deferred revenue in advance of revenue recognition was $2,083,000. The cash generated by working capital is due to the acceleration of the number of inventory turns by the Retail Division during the Christmas season which allows the Company to increase the leverage of its working capital during the quarter.

There are no proposed asset or business acquisitions or dispositions that require discussion at this time.

Significant accounting policies are described in note 3 to the Consolidated Financial Statements included in Glentel's 2005 Annual Report. There were no significant changes in accounting policies or estimates since the fiscal year ended December 31, 2005.

(a) Accounts Receivable

As at December 31, 2005, accounts receivable totaled $24,249,000. Management follows conservative practices in granting trade credit and diligently practices several credit risk minimizing techniques. Management regularly reviews the entire accounts receivable portfolio and updates, based on most current available information, its estimate of unrecoverable amounts. These amounts form the basis of the Company's allowance for doubtful accounts.

(b) Inventory

As at December 31, 2005, inventories totaled $17,264,000 and were valued at the lower of cost and net realizable value. As a result of the high rate of technological change, management closely monitors the quality and profile of inventories to identify items which may present a risk. Once such risk is identified, various strategies are developed to maximize the realizable value, such as return to the manufacturer, promotional activity (advertising, markdowns, etc), and finally liquidation. Management reviews inventory item profiles on an ongoing basis, which minimizes overall risk and updates the estimates of the amount required to reflect such risk. Estimated unrecoverable amounts are charged to earnings in the period in which the condition is identified.

(c) Goodwill and Intangible Assets

The Company performs the required test for goodwill and intangible asset impairment annually, or more frequently if events or changes in circumstances indicate that the asset might be impaired. In performing the required test, management estimates the future cash flows and operating income of each reporting unit. As at December 31, 2005, goodwill and other intangible assets totaled $11,956,000, of which $10,907,000 is attributable to acquisitions during 2005.

(d) Future Income Tax Assets

The Company evaluates its future income tax assets and records a valuation allowance where the recovery of the future income tax does not meet the required level of certainty. At December 31, 2005, a valuation allowance of $473,000 has been provided in respect of capital losses carried forward. As at December 31, 2005, future income tax assets, including the current portion, totaled $2,571,000.

(e) Revenue Recognition

The Company includes in revenue all amounts related to the sale of products and services. Revenue is recognized upon delivery of goods or services and when collection is reasonably assured. Revenue received from cellular service providers includes service activation fees as well as periodic bonus incentives and enhancements relating to activation services. Additional amounts are received for cooperative advertising and similar market development activities. Receipts of this nature are used to offset the related program expenditures. Rental revenue from rental of equipment is recognized over the period of the lease. Premium protection plan revenues are deferred and amortized to sales in the statement of operations on a straight-line basis over the contract.

During the two most recent years, the Company did not use derivative financial instruments, such as swaps, futures, or hedging contracts, as the Company's operations would not normally require the use of such instruments. The Company's financial instruments, their fair values, and the financial risks to which the Company is exposed are disclosed in note 3(m) to the consolidated financial statements.

The Retail Division will continue to expand its locations in a competitive industry sector. Its major products include cellular phones and accessories that are provided by a limited number of highly price-competitive and market-share driven carriers, who effectively set retail margins for these products.

An important aspect of the Retail Division's strategy has been to achieve a critical mass so that carriers find the division's continued success to be imperative for their own success. In assembling the critical mass, the Company has committed to long-term lease obligations for store premises, as previously summarized in this report and also included in note 13 of the financial statements.

The Business Division provides business communication solutions for both voice and data transmission in a technology sector that, by definition, is constantly changing. Its product offering is to provide integrated wireless business solutions in the terrestrial, satellite, and advanced mobile communications markets. Critical to the success of the division is its ability to maintain strong supplier relationships, obtain sound product training, and receive good technical support from its key suppliers to enable it to deliver the integrated voice and data communications solutions to markets that require specialized expertise in terrestrial, satellite, and advanced mobile communications technology.

In addition to risks described elsewhere in this report the Company is subject to, each of, the cumulative effect of, and all of, the following risk factors. The Company has comprehensive risk management practices in place designed to offset these risk factors to the greatest extent possible. Risk factors include:

- Competition in the wireless telecommunication industry and competition from wired telecommunications;
- Technological change, new products and standards;
- Dependence on third party manufacturers and suppliers;
- Dependence on key personnel and products;
- Variances in the industry growth rate;
- Risk of inability to effectively manage future growth and expansion;
- Dependence on continuing demand for the Company's products;
- Lengthy and variable sales cycles;
- Potential fluctuations in quarterly results;
- Finite financial resources and the potential need for future financing; and
- Changes in the regulatory environment.

The Retail Division should continue to expand in 2006, with five to ten new retail mall-based stores planned for *WirelessWave*. *The Telephone Booth / La Cabine Téléphonique* operating results should improve as the result of the transition plan in place to improve store performance and yield. The store-in-store pilot project of *WIRELESS etc* should expand to the balance of the big-box retailer's locations. Additional revenue benefits are expected as carriers recognize benefit of the Retail Division's reach and channel to market. Product bundling by the carriers should allow the Retail Division to leverage its infrastructure, resulting in increased market penetration in these product categories. Demand for cellular products and services continues to be strong, and residual income is projected to grow as a result of the growth in the total subscriber base from activations.

In the Business Division, given that the economic climate remains strong, increased revenue and operating profits should be expected as demonstrated by the achievements in 2005. With the experience of our professional people, we should continue to provide new integrated communication solutions to our customers. The experience the division has developed to absorb acquisitions should present further opportunities for industry consolidation should these opportunities arise during the year, and as the desire for national support becomes a critical component of a communications solution decision by our customers.

The 2005 year was a very successful year for Glentel. The Retail Division met its growth and operating results goals for the year, in spite of the lower contribution by *The Telephone Booth / La Cabine Téléphonique*. The Wireless Business Division successfully integrated the 2005 business acquisition and achieved positive results throughout the year. We anticipate another successful year in 2006.

Certain statements in the Management's Discussion and Analysis, other than statements of historical fact, are forward-looking in nature and involve various risks and uncertainties. These can include, without limitations, statements concerning possible or assumed future results of operations of the Company preceded by, followed by, or that include words and phrases such as "believes," "plans," "intends," "expects," "anticipates," "estimates" or similar expressions. Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties, and assumptions related to all aspects of the wireless communications industry and the global economy. As a result, the Company's actual results may differ materially from those anticipated in the forward-looking statements and there can be no assurance that such statements will prove to be accurate.

You should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement (and such risks, uncertainties, and other factors) speak only as of the date on which it was originally made, and Glentel expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained in this document to reflect any change in expectations with regard to those statements or any other change in events, conditions or circumstances on which any such statement is based, except as required by law. New factors emerge from time to time, and it is not possible for Glentel to predict what factors will arise or when. In addition, Glentel cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The management of the Company is responsible for the preparation and integrity of the consolidated financial statements, the Management's Discussion and Analysis ("MD&A"), and related information contained in this Annual Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and necessarily include some amounts that are based on management's best estimates and judgment. Financial and operating data elsewhere in this Annual Report are consistent with the information contained in the accompanying consolidated financial statements.

To fulfill its responsibility, management has developed and continues to maintain systems of internal controls designed to provide reasonable assurance that the financial information is reliable and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls, and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility through its Audit Committee.

The Audit Committee is appointed by the Board of Directors, and its members, all of whom are independent of the Company, meet regularly during the year with management, and semi-annually with the independent auditors, to discuss internal controls in the financial reporting process, auditing matters, and financial reporting issues, and formulates the appropriate recommendations to the Board of Directors. The independent auditors have unrestricted access to the Audit Committee.

The independent auditors were appointed by a vote of the Company's shareholders to audit the consolidated financial statements. The consolidated financial statements have been audited by Deloitte & Touche LLP, the independent auditors, in accordance with Canadian generally accepted auditing standards and whose report follows.

THOMAS E. SKIDMORE
Chairman, President and
Chief Executive Officer

Dale B Belsher

DALE B. BELSHER
Chief Financial Officer

Burnaby, British Columbia
March 24, 2006

To the Shareholders of
Glentel Inc.

We have audited the consolidated balance sheets of Glentel Inc. as at December 31, 2005 and 2004 and the consolidated statements of operations, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and 2004 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Vancouver, British Columbia
March 24, 2006

December 31, (In thousands of dollars)

		2005		2004
Cash and cash equivalents	$	**15,449**	$	8,201
Accounts receivable		**24,249**		16,047
Income taxes receivable		**236**		726
Inventory		**17,264**		8,914
Prepaid expenses		**1,069**		402
Current portion of future income tax benefits (Note 14)		**1,097**		832
		59,364		35,122
[illegible] (Note 4)		**14,864**		13,273
[illegible] (Note 5)		**188**		189
[illegible] (Note 6)		**4,261**		-
[illegible] (Note 7)		**7,695**		1,049
[illegible] (Note 14)		**1,474**		1,425
	$	**87,846**	$	51,058
Accounts payable and accrued liabilities	$	**33,627**	$	19,376
Current portion of deferred revenue (Note 8)		**3,282**		2,177
Current portion of long-term debt (Note 9)		**1,800**		16
		38,709		21,569
[illegible] (Note 8)		**4,220**		2,846
[illegible] (Note 9)		**3,300**		17
		46,229		24,432
Share capital (Note 10)		**27,078**		18,469
Contributed surplus (Note 11)		**648**		380
Retained earnings		**13,891**		7,777
		41,617		26,626
	$	**87,846**	$	51,058

[illegible] (Note 13)

On behalf of the Board:

Director Director

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, (In thousands of dollars except per share amounts)		2005		2004
Sales	$	**146,057**	$	96,744
Cost of sales		**83,895**		54,055
Operating and administrative expenses		**49,290**		32,902
Income before interest, taxes and amortization		**12,872**		9,787
Amortization, property and equipment, and intangible assets		**3,972**		3,194
Operating income before undernoted items		**8,900**		6,593
Interest Income		**446**		101
Interest expense - long-term		**(170)**		(16)
Gain from sale of investments		**-**		199
Income before taxes		**9,176**		6,877
Income tax expense (Note 14)		**3,062**		2,734
Net income	$	**6,114**	$	4,143
Basic net income per share (Note 10 (e))	$	**$0.65**	$	0.50
Fully diluted net income per share (Note 10 (e))	$	**$0.61**	$	0.46

Years ended December 31, (In thousands of dollars)		2005		2004
Retained earnings, beginning of year	$	**7,777**	$	3,634
Net income		**6,114**		4,143
Retained earnings, end of year	$	**13,891**	$	7,777

The accompanying notes are an integral part of the consolidated financial statements.

Years ended December 31, (In thousands of dollars)	2005	2004
Net income	$ 6,114	$ 4,143
Items not affecting cash:		
Stock-based compensation	275	391
Amortization, property and equipment, and intangible assets	3,972	3,194
Amortization, deferred revenue	(2,966)	(2,002)
Gain from sale of investments	-	(199)
Future income taxes	(788)	399
	6,607	5,926
Cash provided by working capital (Note 15)	2,663	2,275
Decrease in deferred pension costs	1	(1)
Deferred revenue	5,163	3,609
	14,434	11,809
Decrease in bank indebtedness	-	(688)
Issuance of share capital, net of issue costs	8,402	242
Increase in long-term debt	6,000	-
Repayment of long-term debt	(933)	(138)
	13,469	(584)
Acquisition of property and equipment	(3,740)	(4,270)
Acquisition of intangible asset	(1,098)	-
Acquisition of business, net of cash acquired (Note 2(a))	(16,620)	(125)
Proceeds on disposition of computer system	803	-
Proceeds from sale of investments	-	648
Reduction in lease receivable	-	35
	(20,655)	(3,712)
	7,248	7,513
	8,201	688
	$ 15,449	$ 8,201
Cash	$ 3,175	$ 1,759
Cash equivalents	12,274	6,442
	$ 15,449	$ 8,201
Interest paid	$ 170	$ 16
Income taxes paid	$ 2,586	$ 4,600

The accompanying notes are an integral part of the consolidated financial statements.

Years ended December 31, 2005 and 2004 (In thousands of dollars except per share amounts and amounts in narrative)

Glentel Inc. operates two distinct business segments. The Retail Division, doing business as ("dba") *WirelessWave, The Telephone Booth/La Cabine Téléphonique and WIRELESS etc*, provides personal wireless and wired communications products and services and choice of cellular carrier to consumers through retail outlets in major shopping malls in Canada. The Business Division provides its customers with integrated wireless solutions - designing and commissioning wireless networks for commercial applications in three core areas: terrestrial radio systems, satellite network services, and advanced mobile solutions.

The Company's Retail Division primarily provides services of three Canadian wireless communication brands. During the year, approximately 46% (2004 - 53%) of the Company's revenue was provided by one national network.

(a) Effective May 29, 2005, the Company acquired all the issued and outstanding shares of Cabtel Corporation, doing business as *The Telephone Booth/La Cabine Téléphonique*, for cash consideration of $16,726,000 including acquisition costs.

The net assets acquired at fair value were as follows:

Cash	$	106
Accounts receivable		1,988
Income taxes receivable		493
Inventory		4,776
Property and equipment		2,404
Intangible asset - brand name		2,504
Intangible asset - vendor contracts		881
Goodwill, non-deductible for tax purposes		6,646
		19,798
Liabilities assumed		(1,939)
Future income tax liability		(631)
Deferred revenue		(282)
Amounts due to former shareholders		(220)
Total acquisition cost	$	16,726

Liabilities assumed include business transformation costs totaling $452,500.

(b) Effective April 30, 2005, the Company acquired certain assets of the Remote Telecom business of Wireless Matrix Corporation for cash consideration of $1,305,000.

The net assets acquired were as follows:

Inventory	$	207
Intangible asset - customer lists		1,098
Total acquisition cost	$	1,305

ACCOUNTING POLICIES

The Company is incorporated under the Canada Business Corporations Act. These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles:

(a) *Basis of presentation*

The financial statements include the accounts of the Company and its subsidiaries. All material intercompany accounts and transactions have been eliminated upon consolidation. For the subsidiary acquired during the year (Note 2 (a)), the results of operations are included in the consolidated statement of operations from the date of the transaction.

(b) *Cash and cash equivalents*

Cash and cash equivalents consist of cash on deposit and highly liquid short-term investments with a maturity of less than three months. Cash equivalents are carried at cost, which approximates market value.

(c) *Inventory*

Inventory is valued at the lower of cost and net realizable value.

(d) *Property and equipment*

Property and equipment are recorded at cost. Amortization is computed on the declining balance basis, except for rental equipment which is on the straight-line basis. Annual rates to amortize the cost of property and equipment over their estimated useful lives are as follows:

Buildings	4%
Rental equipment	2 to 5 years
Equipment	10% to 30%
Software	30%

Leasehold improvements are amortized over the terms of the respective leases, including the first renewal option.

Years ended December 31, 2005 and 2004 (In thousands of dollars except per share amounts and amounts in narrative)

The Company reviews, on an annual basis, its property and equipment for any indication of impairment and significant asset retirement obligations.

(e) *Pension costs*

Pension costs are charged to income as they accrue. In determining pension expense, the unrecognized pension surplus or liability, adjustments arising from changes in actuarial assumptions, and experience gains and losses are being amortized on a straight-line basis over the expected average remaining service life of the employee group. The assets of the pension plans are valued at market values.

(f) *Intangible assets*

Intangible assets with indefinite lives are not amortized and are subject to an annual assessment for impairment primarily by applying a fair value based test at the reporting unit level. An impairment loss would be recognized to the extent the carrying amount of the intangible asset exceeds its fair value. Intangible assets that are not deemed to have an indefinite life are amortized as follows:

Vendor contracts	3 years, relative to pattern of expected benefits
Customer list	10 years, straight-line basis

(g) *Goodwill*

Goodwill represents the excess of purchase consideration over the fair market value of assets and liabilities acquired. Goodwill is not amortized but is tested for impairment on an annual basis. An impairment loss is recognized when the carrying value of goodwill exceeds its fair value. The Company did not recognize any impairment loss as a result of the annual impairment test.

(h) *Revenue recognition*

Revenue includes all amounts related to the sale of products and services.

Revenue is recognized upon delivery of goods or services and when collection is reasonably assured.

Revenue received from cellular service providers includes service activation fees as well as periodic bonus incentives and enhancements relating to activation services.

Additional amounts are received for cooperative advertising and similar market development activities. Receipts of this nature are used to offset the related program expenditures.

Rental revenue from rental of equipment is recognized over the period of the lease.

Premium Protection Plan revenues are deferred and amortized to sales in the statement of operations on a straight-line basis over the contract.

(i) *Net income per share*

Basic income per share has been calculated using the monthly weighted average number of common shares outstanding during the year. The diluted income per share reflects the potential dilution of common share equivalents, such as outstanding stock options and warrants, in the weighted average number of common shares outstanding during the year, if dilutive. For this purpose, the "treasury stock method" is used for the assumed proceeds upon the exercise of outstanding stock options and warrants that are used to purchase common shares at the average market price during the year.

(j) *Income taxes*

Future income taxes, when recognized, reflect the tax effect, using substantively enacted tax rates, of differences between the book and tax bases of assets and liabilities and the anticipated benefit of losses carried forward for income tax purposes. Future tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized.

(k) *Stock-based incentive plans*

The Company has granted options to selected directors, officers and employees. The Company accounts for its grants using the fair value method of accounting for stock-based compensation. Accordingly, the fair value is measured at the grant date and is charged to operations, with an offsetting credit to contributed surplus, on a straight-line basis from the grant date over the vesting period. Any consideration paid by employees on exercise of stock options is credited to share capital. If stock or stock options are repurchased from employees, the excess of the consideration paid over the carrying amount of the stock or stock options is charged to retained earnings.

(l) *Foreign currency*

Transactions denominated in U.S. dollars have been translated into Canadian dollars at the approximate rate of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at the year-end exchange rate. Exchange gains and losses are included in earnings.

Years ended December 31, 2005 and 2004 (In thousands of dollars except per share amounts and amounts in narrative)

(m) *Financial instruments*

The Company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and long-term debt. The fair values of the financial instruments approximate their carrying values due to their immediate or short-term maturity or their market-related interest rates.

(n) *Measurement uncertainties*

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, particularly the recoverability of accounts receivable, inventory, property and equipment, and intangible assets, and liabilities at the date of the financial statements, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

	2005 Cost	2005 Accumulated Amortization	2005 Net Book Value
Land	$ 114	$ -	$ 114
Building	41	15	26
Leasehold improvements	13,793	5,929	7,864
Equipment	10,245	4,833	5,412
Rental equipment	4,993	3,970	1,023
Software	790	365	425
	$ 29,976	$ 15,112	$ 14,864

	2004 Cost	2004 Accumulated Amortization	2004 Net Book Value
Land	$ 114	$ -	$ 114
Building	41	14	27
Leasehold improvements	10,353	4,316	6,037
Equipment	8,975	4,415	4,560
Rental equipment	7,050	6,032	1,018
Software	2,637	1,120	1,517
	$ 29,170	$ 15,897	$ 13,273

Rental income generated from the rental of equipment amounted to $1,981,000 (2004 - $1,885,000).

[illegible] UTURE BENEFITS

The Company sponsors a final-pay contributory defined benefit pension plan for its employees. The pension benefits for certain employees are indexed at 2% per annum in respect of service accrued on or after January 1, 1997.

Information about the Company's defined benefit pension plan in aggregate, as at December 31 is as follows:

	2005	2004
PLAN ASSETS		
Fair value at beginning of year	$ 2,675	$ 2,268
Actual return on plan assets	157	189
Employer contributions	221	210
Employees' contributions	133	136
Withdrawals and benefits paid	(12)	(128)
Fair value at end of year	$ 3,174	$ 2,675
ACCRUED BENEFIT OBLIGATION		
Balance at beginning of year	$ 2,988	$ 2,436
Current service cost	248	227
Employees' contributions	133	136
Interest cost	1,094	317
Withdrawals and benefits paid	(12)	(128)
Balance at end of year	$ 4,451	$ 2,988
Funded status - plan deficit	$ (1,277)	$ (313)
Unamortized net actuarial losses	1,677	767
Unamortized transitional assets	(212)	(265)
Deferred pension costs	$ 188	$ 189

Plan assets consist of the following measured as of December 31:

	2005	2004
Equity securities	62%	62%
Fixed income securities	38%	38%

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligations are as follows:

	2005	2004
Discount rate	5.0%	6.0%
Expected long-term rate of return on plan assets	7.0%	7.0%
Rate of compensation increase	2.0% - 2.5%	3.0% - 3.5%

Years ended December 31, 2005 and 2004 (In thousands of dollars except per share amounts and amounts in narrative)

The Company's net benefit plan cost, as reported within operating and administrative expenses, is as follows:

	2005	2004
Current service cost	$ 248	$ 227
Interest cost	201	178
Actual return on plan assets	(157)	(189)
Actuarial losses on accrued benefit obligation	894	139
	1,186	355
Adjustments to recognize the long-term nature of employee future benefit costs:		
Difference between actual and expected return on plan assets	(42)	23
Amortization of transitional asset	(53)	(53)
Difference between actuarial gain recognized for the year and the actuarial gain on accrued benefit obligation	(869)	(114)
	$ 222	$ 211

The Plan's most recent actuarial valuation for funding purposes was performed as of December 31, 2004 and the next valuation will be performed as of December 31, 2007.

	2005			2004
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Brand name	$ 2,504	$ -	$ 2,504	$ -
Vendor contracts	881	149	732	-
Customer lists	1,098	73	1,025	-
	$ 4,483	$ 222	$ 4,261	$ -

	2005	2004
Balance, beginning of year	$ 1,049	$ 918
Acquisition of Cabtel Corporation	6,646	-
Adjustment, acquisition of Mobilcom Wireless Inc.	-	131
Balance, end of year	$ 7,695	$ 1,049

	2005	2004
Deferred revenue	$ 7,502	$ 5,023
Less: Amounts to be amortized within one year	3,282	2,177
Long-term portion of deferred revenue	$ 4,220	$ 2,846

	2005	2004
Obligations under capital lease	$ -	$ 33
Loan payable	5,100	-
	5,100	33
Less: Current portion	(1,800)	(16)
	$ 3,300	$ 17

The Company has a term loan facility in the amount of $8,000,000 with a major Canadian chartered bank to be used for the financing of business acquisitions. The Company utilized $6,000,000 of this facility for the acquisition of Cabtel Corporation. The fixed-term loan is secured by a general security agreement over the Company's assets and is repayable in monthly installments of $150,000 plus interest at the rate of 5.77% per annum.

The future principal and interest payments on the long-term debt are as follows:

2006	$ 2,046
2007	1,943
2008	1,540
	5,529
Less: Interest	429
	$ 5,100

Years ended December 31, 2005 and 2004 (in thousands of dollars except per share amounts and amounts in narrative)

(a) *Authorized*

An unlimited number of common shares without par value.

(b) *Issued*

	Common Number		Amount
Balance, December 31, 2003	8,207,345	$	18,194
Issued pursuant to exercise of stock options	216,100		242
Transfer from contributed surplus on exercise of stock options	-		33
Balance, December 31, 2004	8,423,445		18,469
Issued for cash, net of issue costs	1,600,000		8,448
Issued pursuant to exercise of stock options	92,848		154
Transfer from contributed surplus on exercise of stock options	-		7
Balance, December 31, 2005	10,116,293	$	27,078

On May 14, 2003, the shareholders of the Company resolved that the share capital of the Company be reduced by $16,650,000, representing the amount of the deficit at December 31, 2002, and that contributed surplus of $1,158,000 be added to the share capital of the Company.

(c) *Stock-based incentive plans*

The details of the Company's share option plan, under which eligible employees, directors and consultants can be granted options to purchase common shares, at a price not less than the market value of the shares at the date granted, are as follows:

	2005			2004		
	Shares		**Weighted Average Exercise Price**	Shares		Weighted Average Exercise Price
Outstanding at beginning of year	**1,110,900**	**$**	**3.05**	980,000	$	1.66
Granted	**352,000**		**6.62**	347,000		5.78
Exercised	**(92,150)**		**1.60**	(216,000)		1.12
Relinquished and expired	**(15,000)**		**4.38**	-		-
Outstanding at end of year	**1,355,750**	**$**	**4.06**	1,110,900	$	3.05
Options exercisable at end of year	**733,750**	**$**	**2.81**	688,400	$	2.59

	Options Outstanding				Options Exercisable		
Range Of Exercise Prices	Number Outstanding At December 31, 2005	Weighted Average Remaining Contractual Life		Weighted Average Exercise Price	Number Exercisable At December 31, 2005		Weighted Average Exercise Price
$0.55 to $0.95	144,000	5.28 years	$	0.83	100,000	$	0.77
$1.70 to $2.65	508,750	5.04 years		2.10	458,750		2.14
$3.10 to $4.79	95,000	8.46 years		2.37	35,000		4.07
$5.85 to $7.05	608,000	8.95 years		6.15	142,000		6.09
	1,355,750	7.06 years	$	4.06	735,750	$	2.81

During the year, the Company changed the vesting period on options granted to directors. Options granted to directors on or after January 1, 2005 are exercisable on the basis of 50% of the options per year on a cumulative basis, beginning after one year and expiring after ten years. All other options are exercisable on the basis of 25% of the options per year on a cumulative basis, beginning after one year and expiring after ten years. The maximum number of shares issuable pursuant to the option plan shall not exceed 2,000,000.

(d) *Share purchase warrants*

Pursuant to a private placement completed in May 2005, the Company issued 80,000 common share purchase warrants that entitle the holders to acquire 80,000 common shares at a price of $5.54 per share, expiring May 25, 2007. At December 31, 2005, 79,302 of these warrants were outstanding.

(e) *Additional disclosures*

(i) *Stock options granted to employees*

The weighted average grant-date fair value of stock options granted in 2005 was $2.05 (2004 - $2.07). The fair values of these options were determined using a Black-Scholes option pricing model, recognizing forfeitures as they occur, using the following weighted average assumptions:

	2005	2004
Risk-free interest rate	**3.81%**	3.559%
Expected life – directors	**2.5 years**	1.5 years
Expected life – other employees	**2.5 years**	2.5 years
Weighted-average share price volatility	**45.24%**	58.67%
Expected dividends	**$0.00**	$0.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2005 and 2004 (In thousands of dollars except per share amounts and amounts in narrative)

(ii) *Income per share*

Reconciliation of dilution of basic earnings per share for the years ended 2005 and 2004 is as follows:

2005	Net Income	Weighted Average Number of Common Shares	Net Income Per Share
Basic net income per share	**$ 6,114**	**9,438,399**	**$ 0.65**
Stock option and warrants	**-**	**570,623**	**(0.04)**
Fully diluted net income per share	**$ 6,114**	**10,009,022**	**$ 0.61**

2004	Net Income	Weighted Average Number of Common Shares	Net Income Per Share
Basic net income per share	$ 4,143	8,316,669	$ 0.50
Stock options	-	593,076	(0.04)
Fully diluted net income per share	$ 4,143	8,909,745	$ 0.46

Additional consideration of net income per share using the fair value method for all stock options granted during 2002 to directors, officers and employees would not have a significant impact on the information presented above.

11. CONTRIBUTED SURPLUS

	2005	2004
Balance, beginning of year	**$ 380**	$ 22
Stock-based compensation charged to operations	**275**	391
Transfer to share capital on exercise of stock options	**(7)**	(33)
Balance, end of year	**$ 648**	$ 380

The Company had the following transactions with its majority shareholder for recovery of costs and provision of services which have been recorded at the exchange amount:

	2005	2004
Management fees	**$ 600**	$ 438
Operating and administrative expenses	**230**	231
Construction and graphic services and materials - stores	**1,779**	2,126

As at December 31, 2005, the Company owed its majority shareholder $105,000 (2004 - $20,000).

(a) The future minimum operating lease and maintenance commitments of the Company are as follows:

2006	$ 8,087
2007	7,358
2008	6,133
2009	4,620
2010	3,233
Subsequent years	4,285
	$ 33,716

(b) The Company is committed to purchases of inventory of $487,000 (2004 - $Nil) under a purchase agreement.

(c) Legal actions have been commenced against the Company in connection with various matters arising during the normal course of business activities. Management is of the opinion that the cost of settling and defending such actions will not be significant and, accordingly, no provision for losses has been reflected in these financial statements.

d) Letters of credit totaling $140,000 (2004 - $140,000) have been issued as security for the Company's obligations under a contract.

Years ended December 31, 2005 and 2004 (In thousands of dollars except per share amounts and amounts in narrative)

The components of the income tax expense are as follows:

		2005		2004
Current expense	$	3,850	$	2,335
Future (recovery) expense		(788)		516
Tax benefits not previously recognized		-		(117)
Net tax expense	$	3,062	$	2,734

The Company has capital losses carried forward for income tax purposes of approximately $2,703,000 (2004 - $2,703,000) for which no benefit was recognized. Future benefits, if any, will be restricted to one half of enacted rates and will be recognized when realized.

The provision for income taxes reported differs from the amount calculated by applying the Canadian statutory tax rate to income before taxes for the following reasons:

		2005		2004
Income before taxes	$	9,176	$	6,877
Statutory rate		35%		36%
Expected expense for tax purposes	$	3,212	$	2,475
Non-deductible expenses		161		185
Tax benefit of timing differences and losses carried forward, not previously recognized				(117)
Other adjustments		(311)		191
	$	3,062	$	2,734

The components of the future income taxes are as follows:

		2005		2004
Future income tax benefits				
Deferred revenues	$	2,621	$	1,808
Property and equipment		827		428
Intangible asset		54		-
Accrued liabilities		106		52
Share issuance and acquisition costs		158		-
Deferred gain		22		37
		3,788		2,325
Future income tax liabilities				
Deferred pension costs		66		68
Intangible assets		1,151		-
		1,217		68
		2,571		2,257
Less: Current portion		1,097		832
Future income tax benefits, net	$	1,474	$	1,425

IDED BY WORKING CAPITAL

		2005		2004
Accounts receivable	$	(6,214)	$	(1,597)
Income taxes receivable		1,026		(726)
Inventory		(3,574)		2,098
Prepaid expenses		(667)		187
Accounts payable and accrued liabilities		12,092		3,855
Income taxes payable		-		(1,542)
	$	2,663	$	2,275

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2005 and 2004 (In thousands of dollars except per share amounts and amounts in narrative)

SEGMENTED INFORMATION

The Company operates within Canada in two distinguishable industry segments. The Retail Division provides personal communications products and services to consumers. The Business Division provides a wide range of terrestrial, satellite, and advanced mobile communications products and services to commercial, government and industrial customers.

Information by business segment is as follows:

		2005		2004
Sales to external customers:				
Retail Division	$	118,331	$	71,841
Business Division		27,726		24,903
		146,057		96,744
Income before interest, taxes and amortization:				
Retail Division		15,859		12,639
Business Division		3,022		2,062
Corporate		(6,009)		(4,914)
		12,872		9,787
Amortization, other than deferred revenue:				
Retail Division		2,474		1,859
Business Division		1,306		1,136
Corporate		192		199
		3,972		3,194
Operating income before interest income and long-term debt interest expense:				
Retail Division		13,385		10,780
Business Division		1,716		926
Corporate		(6,201)		(5,113)
	$	8,900	$	6,593

		2005		2004
Capital expenditures:				
Retail Division	$	2,606	$	2,852
Business Division		872		1,127
Corporate		262		291
	$	3,740	$	4,270
Total assets employed:				
Retail Division	$	54,699	$	27,905
Business Division		13,039		9,972
Corporate		20,108		13,181
	$	87,846	$	51,058
Goodwill:				
Retail Division	$	6,646	$	-
Business Division		1,049		1,049
Corporate		-		-
	$	7,695	$	1,049

CORPORATE INFORMATION

Dale Belsher, David Hartman, Thomas Skidmore, Daniel Lowndes, Cary Skidmore (from left to right)

ANNUAL MEETING

The company's annual meeting will be held on **Wednesday, May 3, 2006** at **9.30 a.m.** at the **Hilton Vancouver Metrotown** in Burnaby, BC

STOCK INFORMATION

Glentel trades on The Toronto Stock Exchange (trading symbol GLN)

TRANSFER AGENT

Shareholders with a change of address or questions about their account should contact the registrar at:

Computershare Investor Services Inc.

3rd Floor, 510 Burrard Street
Vancouver BC CANADA V6C 3B9
Telephone(604) 661-9400 ext 4269
Fax (604) 661-9401
email: mita.garcia@computershare.com
www.computershare.com

OFFICERS

Thomas E. Skidmore
Chairman, President & Chief Executive Officer

A. Allan Skidmore
Vice Chairman

Ronald E. Sowerby
Corporate Secretary

Dale B. Belsher
Chief Financial Officer

David M. Hartman
Vice President, Operations, Retail Division

Daniel H. Lowndes
Vice President, Operations, Business Division

Cary T. Skidmore
Vice President, Marketing

DIRECTORS

Dirk C.A. De Vuyst,
West Vancouver, BC

Robert R. Dodd,
New Westminster, BC

Gaylord U. Hazelwood,
Cookstown, ON

A. Allan Skidmore,
Milner, BC

Arthur Skidmore,
West Vancouver, BC

Thomas E. Skidmore,
West Vancouver, BC

Ronald E. Sowerby,
Coquitlam, BC

Jacques Laurent,
Montréal, QC

OPERATIONS EXECUTIVE

Thomas E. Skidmore
Chairman, President & Chief Executive Officer

David M. Hartman
Vice President, Operations, Retail Division

Daniel H. Lowndes
Vice President, Operations, Business Division

Dale B. Belsher
Chief Financial Officer

Cary T. Skidmore
Vice President, Marketing

Dirk De Vuyst, Gaylord Hazelwood, Allan Skidmore, Thomas Skidmore, Arthur Skidmore, Robert Dodd, Jacques Laurent, Ronald Sowerby (from left to right)

STORE LOCATIONS

WirelessWave
95 locations across Canada

TBooth/ La CabineT
49 locations in Alberta, Ontario and Québec

British Columbia

20 WirelessWave

3 WIRELESS etc

2 Business Division Centres

Alberta

17 WirelessWave

5 Tbooth

8 Business Division Centres

Manitoba

3 WirelessWave

1 Business Division Centre

Saskatchewan

1 Business Division Centre

Ontario

55 WirelessWave

30 Tbooth

1 Business Division Centre

Québec

14 La CabineT

Ontario

Chinook Centre
Kingsway Garden Mall
Market Mall
Sunridge Mall
TD Square

Bayshore Shopping Centre
Bramalea City Centre
Burlington Mall
Cambridge Centre
Carlingwood Shopping Centre

Alberta

Aberdeen Mall

Glentel Business Division Centres
11 locations across Canada

Park Royal Shopping Centre
Pine Centre
Oakridge Centre
Orchard Park Mall
Richmond Centre
Sevenoaks Shopping Centre
Village Green Mall
Willowbrook Shopping Centre
Woodgrove Centre

Calgary Eaton Centre
Chinook Centre
Kingsway Garden Mall
Londonderry Mall

WIRELESS etc kiosk locations
3 test locations in BC

CORPORATE INFORMATION

Dale Belsher, David Hartman, Thomas Skidmore, Daniel Lowndes, Cary Skidmore (from left to right)

ANNUAL MEETING

The Company's [illegible] will be held on Wednesday, May [illegible], 2000 at 9:30 a.m. at the Hilton [illegible] in Burnaby, BC.

STOCK INFORMATION

Glentel trades on The Toronto Stock Exchange (trading symbol GLN).

TRANSFER AGENT

Shareholders with a change of address or questions about their account should contact the registrar at:

Computershare Investor Services Inc.

3rd Floor, 510 Burrard Street

Vancouver, BC, CANADA V6C 3B9

Telephone: [illegible]

OFFICERS

Thomas E. Skidmore
Chairman, President & Chief Executive Officer

R. Allan Skidmore
Vice Chairman

Ronald E. Sowerby
Corporate Secretary

Dale B. Belsher
Chief Financial Officer

[illegible]

Daniel H. Lowndes
Vice President, Operations, Business Division

Cary T. Skidmore
Vice President, Marketing

DIRECTORS

Dirk De Vuyst
West Vancouver, BC

Robert R. Dodd
[illegible]

Gaylord M. Hazelwood
[illegible], USA

R. Allan Skidmore
[illegible]

Arthur [illegible]
[illegible]

[illegible] Skidmore
West Vancouver, BC

[illegible]

Jacques Laurent
[illegible]

OPERATIONS EXECUTIVE

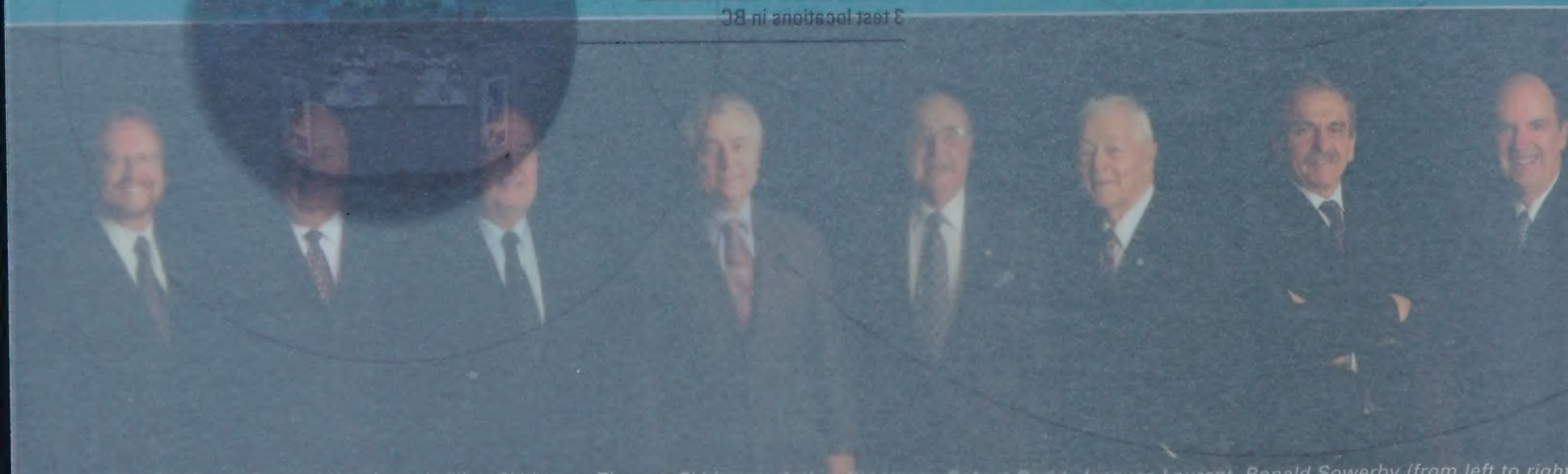
Thomas E. Skidmore
Chairman, President & Chief Executive Officer

David M. Hartman
Vice President, Operations, Retail Division

Daniel H. Lowndes
Vice President, Operations, Business Division

[illegible] Belsher
[illegible]

[illegible] Skidmore
[illegible]



Dirk De Vuyst, Gaylord Hazelwood, Allan Skidmore, Thomas Skidmore, Arthur Skidmore, Robert Dodd, Jacques Laurent, Ronald Sowerby (from left to right)

STORE LOCATIONS

Glentel

British Columbia
- Fort St. John
- Vancouver

Alberta
- Athabasca

Alberta
- Calgary
- Edmonton
- Grande Prarie
- Lethbridge

Alberta
- Medicine Hat
- Red Deer

Saskatchewan
- Saskatoon

Manitoba
- Winnipeg

Ontario
- Hamilton

Tbooth / La CabineT

Alberta
- Chinook Centre
- Kingsway Garden Mall
- Market Mall
- Sunridge Mall
- TD Square

Ontario
- Bayshore Shopping Centre
- Bramalea City Centre
- Burlington Mall
- Cambridge Centre
- Carlingwood Shopping Centre

Ontario
- Cataraqui Town Centre
- Devonshire Mall
- Erin Mills Town Centre
- Fairview Park Mall
- Fairview Mall
- Hillcrest Mall
- Lime Ridge Mall
- Markville Shopping Centre
- Masonville Place
- The Pen Centre
- Pickering Town Centre
- Place D'Orleans
- The Promenade
- Rideau Centre

Ontario
- Scarborough Town Centre
- Sherway Gardens
- Square One Shopping Centre
- St. Laurent Centre
- Toronto Eaton Centre
- Upper Canada Mall
- Vaughan Mills
- White Oaks Mall
- Westmount Shopping Centre
- Woodbine Centre
- Yorkdale Shopping Centre

Quebec
- Carrefour Angrignon
- Carrefour Laval
- Centre Eaton Montréal
- Centre Rockland
- Fairview Pointe-Claire
- Galeries d'Anjou
- Galeries de la Capitale
- Les Galeries Rive-Nord
- Les Rivières
- Place Fleur de Lys
- Place Laurier
- Place Rosemère
- Place Vertu
- Promenades St-Bruno

WirelessWave

British Columbia
- Aberdeen Mall
- Brentwood Town Centre
- Cherry Lane Shopping Centre
- Cottonwood Mall
- Coquitlam Centre
- Guildford Town Centre
- Hillside Shopping Centre
- Lougheed Town Centre
- Mayfair Shopping Centre
- Metropolis at Metrotown
- Pacific Centre
- Park Royal Shopping Centre
- Pine Centre
- Oakridge Centre
- Orchard Park Mall
- Richmond Centre
- Sevenoaks Shopping Centre
- Village Green Mall
- Willowbrook Shopping Centre
- Woodgrove Centre

Alberta
- Calgary Eaton Centre
- Chinook Centre
- Kingsway Garden Mall
- Londonderry Mall

Alberta
- Lloyd Mall
- Market Mall
- Marlborough Mall
- Medicine Hat Mall
- Park Place Mall
- Parkland Mall
- Prairie Mall
- Sherwood Park Mall
- Southcentre Mall
- Southgate Centre
- Sunridge Mall
- West Edmonton Mall (Phase III, lower level)
- West Edmonton Mall (Phase II, upper level)

Manitoba
- Kildonan Place
- Polo Park Shopping Centre
- St. Vital Centre

Ontario
- Bayshore Shopping Centre
- BCE Place
- Billings Bridge Plaza
- Bramalea City Centre
- Burlington Mall

Ontario
- Cambridge Centre
- Carlingwood Shopping Centre
- Cataraqui Town Centre
- CenterPoint Mall
- Cloverdale Mall
- Conestoga Mall
- Devonshire Mall
- Dixie Outlet Mall
- Dufferin Mall
- Eastgate Square
- Erin Mills Town Centre
- Fairview Park Mall
- Fairview Mall
- Georgian Mall
- Heritage Place
- Hudson's Bay Centre
- Jackson Square
- Lambton Mall
- Lansdowne Place
- Lime Ridge Mall
- Lynden Park Mall
- Markville Shopping Centre
- Mapleview Shopping Centre
- Masonville Place
- Milton Mall

Ontario
- New Fairview Mall
- New Sudbury Centre
- Northgate Shopping Centre
- Oakville Place
- Oshawa Centre
- The Pen Centre
- Pickering Town Centre
- Place D'Orleans
- The Promenade
- Quinte Mall
- Rideau Centre
- Scarborough Town Centre
- Square One Shopping Centre (lower)
- Square One Shopping Centre (upper)
- Station Mall
- Stone Road Mall
- St. Laurent Centre
- TD Centre
- Toronto Eaton Centre
- Tecumseh Mall
- Upper Canada Mall
- Vaughan Mills (inline)
- Vaughan Mills (kiosk)
- White Oaks Mall
- Woodbine Centre

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